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PAULA A. FLOWERS
COMMISSIONER

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Commissioner of Commerce and Insurance Paula A. Flowers on Tuesday filed a complaint against three Rutherford County residents alleging the illegal sale of unregistered securities in Tennessee, through their company, Village Life, Inc.

Acting on a complaint filed by the Dept. of Commerce and Insurance and the Tennessee Attorney General's Office, Davidson County Chancellor Ellen Hobbs Lyle on Tuesday issued a Temporary Restraining Order to prevent any transfer or disposal of the company's assets, and to protect and preserve the company's books and records. Commissioner Flowers is now in legal control of the company's operations, and may name a deputy to supervise the firm's receivership.

Freddie Lee Carr and Jenelle Cedenno Carr, co-owners of the company, and Jamie West, office manager for the firm, are not registered with the state as broker-dealers or agents to sell securities, as required under the laws of the State of Tennessee. Lyle's order prohibits the three from engaging in any further marketing of unregistered securities.

In a 17-page complaint filed Tuesday in Lyle's court, the state alleged that Village Life operated an illegal scheme that uses the "investments" of new members to pay off the expected returns to new members. Such a scheme generally collapses when there are not enough new "investors" to satisfy ongoing claims for payments.

Operating through a series of seminars and a website, VLI offered four programs to promote "debt-free living" that required investors to pay a down-payment and six monthly payments and to recruit at least four new members to the program. VLI claimed that upon completion of the investment program, participants could finance a home, pay off a mortgage, pay off a car loan or buy a car, or pay off credit card debt.

The complaint is available on the Dept. of Commerce and Insurance's website:
www.state.tn.us/commerce

